

## Fiscal Highlights

### Alcoholic Beverage Control Act Enforcement Fund 2016 - Gary R. Syphus

In relation to Alcohol Beverage Act, what is the "enforcement ratio" and how do you fund the required enforcement agents?

The enforcement ratio is generated by a formula that considers certain factors, mainly state population and various types of issued liquor licenses. Based on these factors, the formula prescribes a certain amount of alcohol law enforcement agents. As the state population and issued alcohol licenses increase, the more agents the formula prescribes. Conversely, as the state population and issued alcohol licenses decrease, the fewer agents the formula prescribes.

Since the creation of the fund in FY 2012, the formula required 32 agents until the end of FY 2016. Beginning in FY 2017, both the population and issued licenses have increased enough to require 33 agents as calculated by the Department of Alcoholic Beverage Control (DABC). The Department of Public Safety (DPS) consults with DABC to inform them of the needed amount of agents; DPS reports that they meet the enforcement requirement ratio of 33 agents. Below is the detailed formula with the prescribed amount of agents.

Date	Population	Full Restaurant Licenses (Pop/4,467)	Club Licenses (Pop/7,850)	Limited Restaurant Licenses (Pop/6,817)	Tavern Licenses (Pop/73,666)	On-Premise Licenses (Pop/28,765)	Reception Center (Pop/251,693)	Total Licenses	Certified Count of Alcohol Agents
1-Jul-13	2,904,800	641	370	388	54	97	52	1,600	32
1-Jul-14	2,949,200	650	375	393	54	98	52	1,622	32
1-Jul-15	2,987,700	658	380	398	55	99	53	1,643	32
1-Jul-16	3,032,600	668	386	404	56	101	53	1,668	33

The Alcoholic Beverage Control Act Enforcement Fund was created to fund a set amount of alcohol law enforcement agents defined by the "enforcement ratio" set in statute (32B-1-104). The fund consists of 1 percent of the total gross revenue from the sale of liquor within the State. Here is the activity of the fund:

Description	Revenue	Interest Earned	TOTAL REVENUE	Transfers Out (Expenditures)	Balance	Annual Difference Revenue Less Expense
FY 2012 (start of fund)	\$3,206,199	\$8,558	\$3,214,757	\$554,307	\$2,660,450	\$2,660,450
FY 2013	\$3,468,656	\$15,404	\$3,484,060	\$3,236,561	\$2,907,949	\$247,499
FY 2014	\$3,485,801	\$11,802	\$3,497,603	\$3,667,786	\$2,737,766	(\$170,183)
FY 2015	\$3,762,386	\$11,583	\$3,773,969	\$3,616,512	\$2,895,223	\$157,457
FY 2016	\$4,064,044	\$18,173	\$4,082,217	\$3,765,130	\$3,212,310	\$317,087

During the 2016 General Session, the Legislature signaled to DPS to expend \$100,000 from the fund to meet the statutory requirement of 33 agents prescribed by the enforcement ratio. In short, the enforcement ratio reflects the number of required agents depending on the factors of population and issues liquor licenses. The related Alcohol Beverage Act Enforcement Fund is in place to fund the increased costs for additional enforcement agents.